

USAID International Accounting Reform

International certification of accounting professionals and practitioners

Sponsored By:

The U.S. Agency for International Development



USAID's Accounting Reform Goals

- ✓ **Efficient, competitive, profitable and growing enterprises**
- ✓ **Increased employment, opportunity and welfare for individuals**
- ✓ **Sustained, widespread and balanced economic growth**
- ✓ **Regional and global economic integration**



USAID International Accounting Reform

The USAID program is based on standards and guidelines from the International Federation of Accountants (IFAC) and the International Accounting Standards Board (IASB)

- ✓ International Accounting Standards (IAS)
- ✓ International Standards of Audit (ISA)
- ✓ Code of Ethics
- ✓ International Standards for Management Accounting
- ✓ International Education Guidelines (IEGs)
- ✓ Model association charter and by-laws

Education Examination and Certification of Professional Accountants

***Goal:* Establish World Class and World Recognized Russian Language Certification Program for Professional Accountants to:**

- ✓ **Reduce cost and increase accessibility of certification for local professionals**
- ✓ **Accelerate development of accountancy profession, of enterprise profitability, and regional economic growth and integration**

CAP/CIPA Program: Three Components

Education

- ✓ **Standardized courses**
- ✓ **Quality course materials**
- ✓ **Certification of trainers and teachers**
- ✓ **Accreditation of training and education institutions**

Examination

- ✓ **Rigorous**
- ✓ **Comprehensive**
- ✓ **Independent**

Certification: two levels

- ✓ **Certified Accounting Practitioner (CAP)**
- ✓ **Certified International Professional Accountant (CIPA)**

CAP/CIPA: Regionally Standardized Courses

- ✓ **Content based on IFAC IEG-9 and Study 2**
- ✓ **Curriculum based on UNCTAD / ISAR global model curriculum**
- ✓ **Comprises 7 core accounting courses plus Information Technology**

CAP/CIPA: Seven Core Accounting Courses *

- ✓ **Financial Accounting 1 (FA1)**
- ✓ **Financial Accounting 2 (FA2)**
- ✓ **Managerial Accounting 1 (MA1)**
- ✓ **Managerial Accounting 2 (MA2)**
- ✓ **Finance**
- ✓ **Audit**
- ✓ **Tax & Law**
- * **plus: Information Technology (IT)**

Core Accounting Courses: Delivery

- ✓ **Training format: 7 courses, 60 hours each**
- ✓ **Academic format: 7 courses comprise the core of a model accounting curriculum for Higher Education Institutions**
- ✓ **Self-study/distance learning format: materials designed so that individuals can prepare for exams**

CAP/CIPA: Quality Course Materials

- ✓ **International textbooks translated into Russian language**
- ✓ **Plus: Materials developed by local professionals and trainers and adapted to the region (e.g. Tax & Law for each country)**

CAP/CIPA: Examinations

- ✓ **Rigorous**
- ✓ **Comprehensive**
- ✓ **Independent**
- ✓ **Uniform throughout region**
- ✓ **Russian language**
- ✓ **Professionally administered & secure**

CAP/CIPA: 2 Certification Levels

- ✓ **Certified Accounting Practitioner (CAP)**
- ✓ **Certified International Professional Accountant (CIPA)**

These accounting designations are designed to receive professional recognition by the market, not official recognition by the State.

CAP: Certified Accounting Practitioner

Requires:

- ✓ FA 1 exam
- ✓ MA 1 exam
- ✓ Tax & Law exam

- ✓ Information Technology Certificate
- ✓ 1 year work experience
- ✓ Association member in good standing

A CAP is familiar with all the core areas of accounting, can maintain the firm's accounting system and produce all the basic reports, including tax returns.

CIPA: Certified International Professional Accountant

Requires:

- ✓ FA 2 exam
- ✓ MA 2 exam
- ✓ Audit exam
- ✓ Finance exam
- ✓ Tax & Law exam

- ✓ Information Technology Certificate
- ✓ 3 years work experience
- ✓ Association member in good standing
- ✓ Higher education degree

A CIPA can analyze accounting information and apply professional judgment to financial management issues .

USAID's Program for Accounting Training and Education Development

Employees:

- ✓ Director and professional staff employed by the USAID accounting reform project contractor

Structure:

- ✓ Branches in each country

Activities:

- ✓ Prepare course syllabi
- ✓ Develop course materials (including translation)
- ✓ Develop trainer / teacher certification program
- ✓ Develop training/education institution accreditation program in accounting



International Council of Certified Accountants and Auditors (ICCAA)

Membership:

- ✓ **National professional accounting associations**

Activities:

- ✓ **Support member associations to adopt IFAC-compatible charters**
- ✓ **Promote member associations to adopt CAP/CIPA exam-based requirement for individual members**
- ✓ **Advocate use of international standards, principles practices and ethics**
- ✓ **Lobby governments in the interest of profession**
- ✓ **Issue CAP/CIPA Candidate certificates jointly with CIPA Examination Network**

National Professional Accounting Associations

Membership:

- ✓ Individual accountants and auditors

Activities:

- ✓ Require CAP/CIPA exams for individual members
- ✓ Maintain good governance practices
- ✓ Advocate use of international standards, principles practices and ethics in their country
- ✓ Lobby governments in the interest of the profession
- ✓ Vet experience requirements of candidates for CAP/CIPA
- ✓ Provide Continuing Professional Education (CPE) programs
- ✓ Enforce professional and ethical standards
- ✓ Provide other member services

CIPA E.N.: Certified International Professional Accountant - Examination Network

Employees:

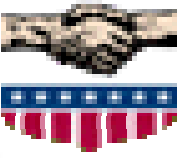
- ✓ **Director and professional staff**

Structure:

- ✓ **Leading technical expert based (center of network) located in Tashkent, Uzbekistan**
- ✓ **Branches in each country**

Activities:

- ✓ **Prepare exam content**
- ✓ **Administer exams**
- ✓ **Grade exams**
- ✓ **Maintain records**
- ✓ **Issue Candidate Certificates**



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CAP/CIPA Institutional Framework





CIPAEN: Board of Directors

Membership:

- ✓ **International accounting firms**
- ✓ **International accounting organizations**

Activities:

- ✓ **Oversee activities of CIPA E.N.**
- ✓ **Promote CAP/CIPA program in region**
- ✓ **Raise funds**

CIPAEN: Board of Advisors

Membership:

- ✓ **USAID**
- ✓ **American Councils for International Education:
ACTR/ACCELS (ACIE)**
- ✓ **Accounting reform program contractor**
- ✓ **International professional associations**

Activities:

- ✓ **Provide technical assistance to CIPA E.N.**

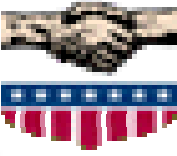
CIPAEN: Financial Sponsors

Membership:

- ✓ **International accounting firms**
- ✓ **Companies**
- ✓ **Donor and development organizations**

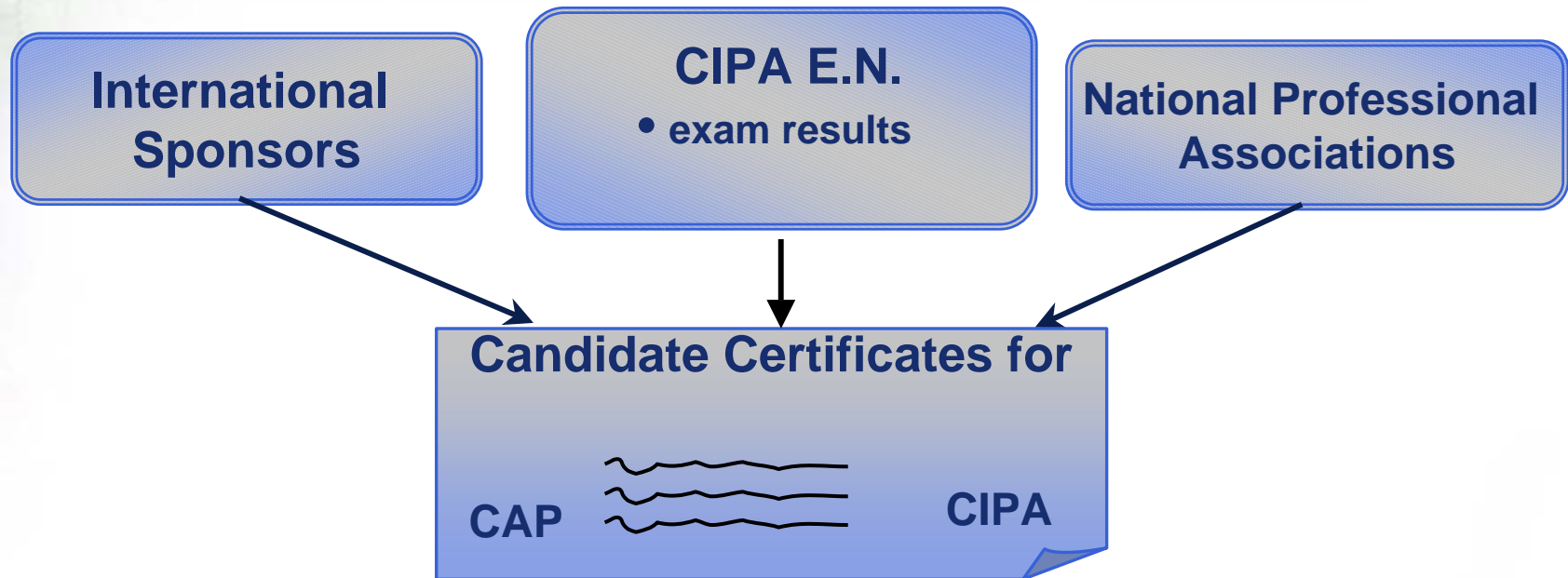
Activities:

- ✓ **Provide financial support**



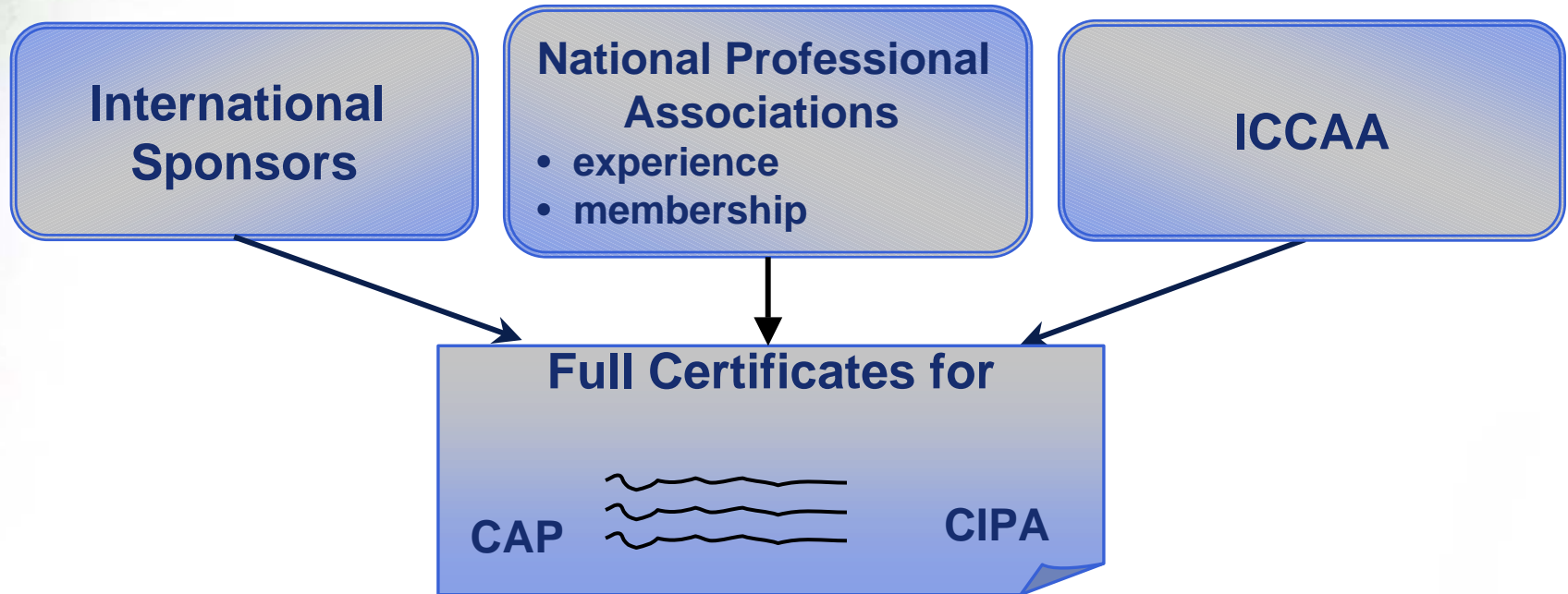
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CAP/CIPA Certificates: *Candidate Certificate*



Candidate Certificates are issued to individuals who have passed the exams but have not completed the other certification requirements.

CAP/CIPA Certificates: *Full Certificate*



Full Certificates are issued to individuals who have completed all the certification requirements, including exams, experience and association membership.

Next Steps:

- 1) Establishment of Boards of Directors and Advisors**
- 2) Recruitment of Financial Sponsors**
- 3) Establishment of CIPA E.N. centers and branches in each country**
- 4) May 2002 – administer next CIPA exams across region**